

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

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APPLICATION OF CHEVRON USA, INC., INC. FOR AMENDMENT OF DIVISION ORDER NO. R-4442, AS AMENDED, TO AUTHORIZE A TERTIARY RECOVERY PROJECT BY THE INJECTION OF CARBON DIOXIDE IN ITS VACUUM GRAYBURG-SAN ANDRES UNIT AREA, APPROVAL OF AMENDMENT OF THE COOPERATIVE WATER INJECTION AGREEMENT BETWEEN THE CENTRAL VACUUM UNIT AND THE VACUUM GRAYBURG-SAN ANDRES UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 13961

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Chevron USA, Inc.
Attention: Paul R. Owen, Esq.

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
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STATEMENT OF CASE

APPLICANT

Application of Chevron USA, Inc. for amendment of Division Order No. R-4442, as amended, to authorize a tertiary recovery project by the injection of carbon dioxide in its Vacuum Grayburg-San Andres Pressure Maintenance Project Area, approval of amendment of the cooperative water injection agreement between the Central Vacuum Unit and the Vacuum Grayburg-San Andres Unit, Lea County New Mexico. Applicant seeks approval to institute a tertiary recovery project in

its Vacuum Grayburg-San Andres Unit Pressure Maintenance Project Area by the injection of carbon dioxide into the Grayburg and San Andres formations in the Vacuum Grayburg-San Andres Pool. The Vacuum Grayburg-San Andres Pressure Maintenance Project encompasses portions of Section 35 of Township 17 South, Range 34 East and portions of Sections 1, 2, 11 and 12 of Township 18 South, Range 35 East. Applicant also seeks to increase the approved surface injection pressure for carbon dioxide injection in this project area to 1850 pounds.


PROPOSED EVIDENCE

APPLICANT:

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|---------------------------------------|-----------------|-----------|
| Daniel Pequeno (Petroleum Landman) | Approx. 10 Min. | Approx. 4 |
| Scott Ingram (Petroleum Geologist) | Approx. 15 Min. | Approx. 5 |
| Brent Brugger (Reservoir Engineer) | Approx. 20 Min. | Approx. 6 |

PROCEDURAL MATTERS

Chevron USA, Inc has none at this time.



William F. Carr
ATTORNEY FOR CHEVRON USA, INC.